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C O N F I D E N T I A L SECTION 01 OF 02 PRETORIA 003477

SIPDIS

DEPT FOR NP/NE/ABURKART, AF/S/KGAIATHER
DEPT OF ENERGY FOR NE-2.4, NNSA/NA-243/MMANNING, NA-241,
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TAGS: KNNP ENRG TRGY OPDC SF

SUBJECT: SOUTH AFRICA: AMBASSADOR MEETS WITH MINISTER OF
MINERALS AND ENERGY TO DISCUSS CLOSER BILATERAL RELATIONS
ON NUCLEAR ENERGY

REF: A. PRETORIA 2923

1B. SECSTATE 92684
1C. PRETORIA 1974

Classified By: Amb. J.E. Frazer; Reasons E.O. 12958 1.4 (b) and (d).

11. (SBU) Summary. Ambassador Frazer and DCM met with Minister of Minerals and Energy Lindiwe Hendricks on August 22 to discuss the path forward on nuclear energy bilateral cooperation. Ambassador Frazer framed U.S.-South African cooperation on nuclear energy in the context of the broader bilateral relationship, affirmed by the June Statement from Presidents Bush and Mbeki. Hendricks agreed that South Africa's collaboration on nuclear energy was part of broader bilateral relations with the United States. She indicated that positive responses to Secretary Rice's letter of May 19 and Secretary Bodman's letter of July 22 were forthcoming. She also said that both sides should do "what needed to be done to establish" a Joint Standing Committee on Nuclear Energy Cooperation (JSCNEC). Hendricks said that South Africa viewed the research and development agreements with the United States, one on nuclear energy and the other on nuclear materials safeguards technologies, as "part of a bigger package" regarding nuclear bilateral cooperation on which South Africa was almost ready to move forward. Hendricks also said that South Africa was interested in returning U.S. origin spent fuel assemblies as well as other areas of scientific and technical cooperation. The Ambassador noted that Secretary Rice may be visiting South Africa in the near future, and that this might be a good time to launch the Joint Standing Committee with joint Department of State and Department of Energy participation. End Summary.

12. (SBU) Ambassador Frazer, DCM Donald Teitelbaum, and Econ M/C Jeff Hartley met with Minister of Minerals and Energy Lindiwe Hendricks and Deputy Director General Neliswe Magubane on August 22 to discuss the path forward on bilateral cooperation in the area of nuclear energy. Ambassador Frazer framed U.S.-South African cooperation on nuclear energy in the context of the broader bilateral relationship, affirmed by the June Statement from Presidents Bush and Mbeki. Hendricks indicated that South Africa was ready to move forward on a series of collaborative endeavors, and assured Ambassador Frazer that positive answers to the letters of Secretary Rice and Secretary Bodman were forthcoming. She agreed that South Africa's collaboration on nuclear energy is part of broader bilateral relations with the United States. Noting the constructive meeting between President George W. Bush and President Thabo Mbeki on June 10, Hendricks commented, "From my side, South Africa has good relations with the United States, and I don't see why it should change. You have my commitment and assurance that this won't change."

JSCNEC

13. (SBU) Hendricks told Ambassador Frazer that both sides only needed to "do what needs to be done to establish" a Joint Standing Committee on Nuclear Energy Cooperation (JSCNEC). She noted that her officials had already created a list of potential areas for cooperation. When asked how we should move forward, Hendricks replied that "I suppose we have the highest levels voice their commitment in the presence of our officials, then leave it to our officials" to follow through. With a chuckle, she reassured Ambassador Frazer that the creation of a JSCNEC "should not give you sleepless nights."

14. (C) Ambassador Frazer noted that Secretary Rice may be visiting South Africa in the near future, and that this could present an excellent opportunity to launch the Joint Standing Committee, since the State Department led for the United States and the Department of Minerals and Energy (DME) led for South Africa. There ensued some discussion as to what would be the best way for both sides to publicly express their commitment to closer relations in this area, with agreement that we needed to chart the way ahead in an exchange of letters.

Research and Development Agreements

15. (SBU) Hendricks said that South Africa viewed the research and development agreements with the United States, one on nuclear energy and the other on nuclear materials safeguards technologies, as "part of a bigger package" regarding nuclear bilateral cooperation on which South Africa was almost ready to move forward. She said that DME had consulted with ESKOM, the Nuclear Energy Corporation of South Africa (NECSA), and PBMR, Ltd. While there had been some contentious issues surrounding the annex on intellectual property rights, somehow DME would work around them. Both sides agreed to explore venues for a signing ceremony.

16. (SBU) In a related exchange, DME Chief Director for Nuclear Policy Tseliso Maqubela assured Econoff that all interagency hurdles had been overcome on the research and development agreements, including those on intellectual property rights. However, the agreements still needed to be approved by the Minister and might need to go to Cabinet for general approval. In a separate exchange, Chief Director for Nuclear Policy Tseliso Maqubela told Econoff -- which Hendricks confirmed to the Ambassador -- that Minister Hendricks would not be attending the IAEA General Conference in Vienna September 26-30 because South Africa would be hosting the 18th World Petroleum Congress in Johannesburg September 26-29. In her place, Deputy Minister Lula Xingwana would attend only IAEA's opening ceremony. For this reason, a signing ceremony on the margins of the General Conference with Secretary Bodman, as had been suggested by the Department of Energy, did not seem viable. Maqubela further explained that South Africa viewed the R&D agreements as a significant step forward in bilateral relations, and therefore preferred a venue affording more attention than "a five-minute signing on the margins of a multilateral event." Maqubela said that they were looking at organizing an event either in Washington or Pretoria "but not inbetween." In her general discussion with Ambassador Frazer about developing the bilateral relationship with the United States, Hendricks seemed to echo this sentiment.

Safari Reactor Conversion

17. (SBU) Minister Hendricks mentioned that her announcement to convert the SAFARI Research Reactor to non weapons grade fuel was one of few memos that she has submitted to her Cabinet so far. In reference to Secretary Bodman's July 22 letter of congratulations and Former Senator Sam Nunn's very supportive statement on behalf of the Nuclear Threat Initiative, she chuckled, "I guess the United States is very happy with that." In response to the Ambassador's question about South Africa taking further steps to remove U.S.-origin HEU fuel assemblies, Hendricks seemed at first unaware of the program, but once Deputy Director General Magubane mentioned the "Spent Fuels Take Back Program," Hendricks confirmed that there seemed to be "no problems with moving ahead on that." She later confessed to still reading into her new portfolio.

State of Relations

18. (C) Overall, the meeting was very constructive, reflecting that both sides were very close to entering a new chapter of bilateral cooperation in this very important area. The fact that the South Africans view closer bilateral relations with the United States in nuclear energy as part of a bilateral program rather than a set of piecemeal activities is encouraging.
FRAZER